Effect of Bank scam on India's Financial credibility

936. DR. BAPU KALDATE: Will the Minister of FINANCE be pleased to state:

(a) whether the controversies regarding Bank securities scam has adversely affected India's financial credibility;

(b) what is its impact on the inflow of foreign capital and mobilisation of deposits from no-resident Indians during the last one year; and

(c) what steps are being taken to restore India's financial credibility?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) India's financial credibility is dependent primarily on the State of its economy, not withstanding the controversies regarding the bank securities scam.

(b) Foreign investment approvals exhibit considerable buoyancy. Foreign investment approvals between May, 1992—October, 1992 amounted to Rs. 22.6 billion as against Rs. 14.1 billion between August, 1991 April, 1992.

The response from Non-Resident Indians (NRIs) to the various Bank Deposit Schemes has also been found encouraging Outstanding balances in respect of NRI Bank deposits as on 31-3-1992 and 31-3-1993 have been as under:

	(Rs. in crores)
(i) 31-3-1992 . . .	21679
(ii) 31-3-1993 . . .	25599

(c) The economic reforms package of Government encompassing industrial investment, trade exchange rate management and the financial sector are among steps taken to enhance India's financial credibility.

Setting up of National Rural Bank

937. MISS SAROJ KHAPARDE: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under Government's consideration to set up a National Rural Bank; and

(b) if so, what are the details thereof and by when the same is likely to be set up?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) Government have initiated a process of consultation for restructuring of the Regional Rural Banks (RRBs). A number of models have been worked out and effectiveness of each is being examined from all angles. This also includes the proposal for establishment of a National Rural Bank of India (NRBI), with a view to improve the viability of RRBs and increase the flow of credit to rural sector. However, no final decision has so far been taken in this regard.

Declining Rupees Value

938. SHRI RAJNI RANJAN SAHU: SHRIMATI VEENA VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whether the rupees value has lately suffered a decline and is facing prospects of further decline, vis-a-vis dollar and sterling;

(b) if so, what is the actual status of rupee value, vis-a-vis dollar and sterling over the past four months; and the reasons for the decline, if any; and

(c) what steps were taken to stablise the rupee value?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE OF IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (c)

Average exchange rates of the rupee vis-a-vis the US dollar and the Pound Sterling since March 1993 are given below:

Average Exchange Rate of Rupee (FEDAI Indicative Rates)

	Rs./US$	Rs./£
March 1993 . .	31.5256	45.9520
April 1993 . .	31.3105	48.4066
May 1993 . .	31.3283	48.5172
June 1993 . .	31.4068	47.4174
July 1993 (upto 21st) . .	31.3690	46.9427

The data show that the rupee has remained broadly stable against the US dollar and the pound sterling over the past four months.

Under the unified exchange rate system instituted on 1st March, 1993 the exchange rate of the rupee is determined in the market and the movements in the exernal value are the results of the interaction of forces demand and supply as generated by the country's trade flows. The RBI at its discretion may enter the market to purchase or sell foreign exchange and thus smoothen erratic fluctuations in the exchange rate. In the four months following the unification of exchange rate, these has been an overspill of foreign exchange in the market resulting in upward pressure on the exchange rate of the rupee. Under such conditions, passive purchases by the RBI from the market have prevented the rupee from appreciating and eroding the competitiveness of India's exports.

भारतीय जीवन बीमा निगम द्वारा फर्जी बीमे

939. **श्री मोहम्मद अफजल उर्फ मीम अफजल :**
श्री कैलाश नारायण सारंग :

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार को इस बात की जानकारी हैं कि वर्ष 1992–93 में भारतीय जीवन बीमा निगम द्वारा 1802 करोड़ रुपए के फर्जी बीमे कराये गए थे,

(ख) यदि हां, तो इस संबंध में सरकार द्वारा क्या कार्यवाही की गई हैं,

(ग) इस कार्य में कौन-कौन से व्यक्ति अन्तर्गस्त पाए गए थे, और

(घ) भविष्य में ऐवी घटनाओं के रोकने के लिए सरकार द्वारा क्या कदम उठाए गए हैं ।

वित्त मंत्रालय में राज्य मंत्री और संसदीय कार्य मंत्रालय में राज्य मंत्री (डा० अबरार अहमद) :

(क) जीवन बीमा निगम ने सूचित किया हैं कि वर्ष 1992–93 के दौरान उन्होंने किसी जाली दावे का भुगतान नही किया हैं ।

(ख) से (घ) प्रश्न नहीं उठते ।

Amount remitted by Multi-National Companies

940. SHRI S. MADHVAN: Will the Minister of FINANCE be pleased to state:

(a) what is the total amount remitted by multi-national companies during the period of the years 1976 to 1987 from the country;

(b) whether the remittance increased during the year 1989 to 1992 and if so, what is the total amount remitted;

(c) what is the total amount of exports made from India by the multi national companies during the year 1991-92; and

(d) what is the total sales in Indian market by the multinational companies during the year 1991-92?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (d) The information is being collected and will be laid on the Table of the House.